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Humanizing business: a modern virtue ethics approach¹

Introduction

In this paper, I seek to argue that the humanizing of business will, in part, occur only when those who work in it recapture a sense of the virtues and of the internal goods that are potentially derivable from working in such organisations and put into effect the practical implications that follow. The notion of “craftsmanship” is a useful shorthand for this. Craftsmanship, however, would require the exercise of virtue in community, and this too is explored.

Much of what follows builds on MacIntyre’s notions of practice and institution which I have already explored in their application to business (MacIntyre, 1985; Moore, 2002) and, in addition, attempts to apply other associated parts of MacIntyre’s work. But it is instructive to begin somewhat before MacIntyre, with a quotation from John Maynard Keynes.

A tendency to avarice?

In his essay *Economic possibilities for our grandchildren*, written in 1930, Keynes held out the possibility that, within one hundred years, we will have solved what he termed the “economic problem” of the human race. He then foresaw a time when we would be free,

“to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice, that the exaction of usury is a misdemeanour, and the love of money is detestable ... [that] we shall once more value ends above means and prefer the good to the useful.”

But then he warned:

“But beware! The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.” (Keynes, 1972)

Keynes seems to have been suggesting that it was necessary to legitimate avarice to the extent that economic goals became paramount and social goals (or even social considerations) were relegated to an inferior position².

It is MacIntyre’s contention that the legitimising of avarice that Keynes seems to have been prescribing, has become ubiquitous in modern capitalist society. He writes:

“What constitutes success in life becomes a matter of the successful acquisition of consumer goods, and thereby that acquisitiveness which is so often a character trait necessary for success in capital accumulation is further sanctioned. Unsurprisingly *pleonexia*, the drive to have more and more, becomes treated as a central virtue.” (MacIntyre, 1995, xiii)

Similarly, in relation to the valuing of external goods such as profit in economic institutions, MacIntyre bemoans the effect on virtue:

“We should therefore expect that, if in a particular society the pursuit of external goods were to become dominant, the concept of the virtues might suffer first attrition and then perhaps something near total effacement.” (MacIntyre, 1985, p.196)

MacIntyre, then, clearly does believe that in our particular societies the pursuit of external goods has become dominant and he asserts, furthermore, that capitalism institutionalises injustice and therefore, “provides systematic incentives to develop a type of character that has a propensity to injustice” (MacIntyre, 1995, xiv).

Each of these quotations builds on Keynes’ prescription and indicates MacIntyre’s bleak view of modern capitalism and its effect upon individuals in relation to the virtues and to the development of character. We will need to return to this below. Before doing so, however, we need to consider the work of others, many of whom suggest that Keynes is too harsh in his prescription and MacIntyre too pessimistic in his assessment.

While MacIntyre attacks capitalism, Solomon, for example, is less adversarial. He writes that his aim, “is not to attack business or corporate life or to promote radical reforms that would undermine rather than improve the free enterprise system” (Solomon, 1992, p.20). Nonetheless, his analysis of business and his own prescription is revealing: “In place of the brutally competitive and disruptive imagery and narrowly ‘bottom-line’-oriented thinking that is so pervasive these days, I want to underline the supreme importance of stability in the organization, to encourage a sense of community, which the best corporations already recognize (at least in their public relations), and to reinforce the importance of integrity in the individual” (*ibid.* p.20). The point, of course, is that Solomon recognises a continuing tendency to avarice (“narrowly ‘bottom-line’-oriented thinking”), a tendency he continues to challenge in more recent writings when he speaks against contemporary business culture as being about “making money ... devoid of any larger sense of obligation or ethics”, or “that a business must pursue its profits *no matter what*”, or of the “infamous ‘obligations to the stockholders’ ” (Solomon, 2000, pp.340-341, emphasis in original).

Handy, similarly, notes that, “[i]n the current Anglo-American version of stock market capitalism, the criterion of success is shareholder value, as expressed by a company’s share price” (Handy, 2002, p.50) and it would, he claims, “be more accurate to call most of [the shareholders] investors, *perhaps even gamblers*. They have none of the pride or responsibility of ownership and are, if truth be told, *only there for the money*” (*ibid.* p.51, emphasis added). Handy, like Solomon, recognises the continuing tendency to avarice as an inherent part of the capitalist system.

McCann and Brownsberger, whose commentary on MacIntyre we will return to, summarise this state of affairs well:

“Managers are confronted ... with the volatility of our increasingly competitive capital markets, dominated by institutional investors whose own fiduciary responsibilities apparently commit them to short term strategies for managing investments that are in competition with one another. As a result, business managers can never rest content with the secure knowledge that, with regard to their own firm’s profitability, enough is enough.” (McCann and Brownsberger, 1990)

But while accepting the continuing and inherent tendency to avarice, none of these writers is as pessimistic as MacIntyre. McCann and Brownsberger acknowledge that, “[I]n the ordinary course of business there is fertile soil where *pleonexia* [the drive, as MacIntyre defined it, to have more and more] may take root” but then add, “[W]e insist, however, that such irresponsible behaviour is not a necessary consequence or defining feature of the work of managing a business’s finances” (*ibid.* p.242). Handy, in common with Solomon (2000), calls for business to seek a new vision of its purpose through the motivating force of a “contribution ethic” – to see business as part of society making its contribution by “creating new products, spreading technology and raising productivity, enhancing quality and improving service” and hence being an “active agent of progress” (Handy, 2002, p.54). In other words, while the tendency to avarice might always be present, these writers suggest that there are countervailing forces that can constrain it.

Evidence of these countervailing forces can be found in some of the empirical work in this area. For example, in their study of eighteen visionary companies, Collins and Porras concluded:

“Contrary to business school doctrine, *we did not find ‘maximising shareholder wealth’ or ‘profit maximisation’ as the dominant driving force or primary objective through the history of most of the visionary companies.* They have tended to pursue a cluster of objectives, of which making money is only one – and not necessarily the primary one.” (Collins & Porras, 1998, p.55, emphasis in original)

Similarly, we find examples of other companies that do not start from “the bottom line”, in Waterman’s work. Applied Energy Systems (AES) is described in these terms:

“The founders wanted a company that valued people and acted responsibly, that was fair and honest in its approach not only to customers, suppliers, and employees, but to the greater society in which we live. If they happened to make good profits, so much the better. But that wasn’t their goal – they cared more about the kind of company they could build than its bottom line.” (Waterman, 1994, p.111)

In a second example, Waterman, in discussing Levi Strauss’ mission statement (“to sustain responsible commercial success as a global marketing company of branded casual apparel”), notes the values that underpin the notion of responsibility that forms part of the statement and comments: “Levi’s wants to meet the needs of all its constituents, including the greater community in which they operate” (*ibid.* p.140). Commercial success may be an objective, but it is clearly constrained by other concerns.

There is, however, an important set of observations to be made in relation to this empirical work. AES went public in 1991, but Waterman records that, “[I]t didn’t really want to; the fear was that pressures from the outside would weaken the company’s focus on values” (Waterman, 1994, p.135). There would seem to be something on the “outside” (presumably the financial markets) that might contaminate AES’ own vision of the kind of company it wanted to build. Levi Strauss, on the other hand, withdrew from the restraints of the financial markets by taking itself private in the mid-1980s through a leveraged buyout (*ibid.* p.143) – presumably to avoid some of the pressures, including pressure on its values, that concerned AES. Collins & Porras, in the first few pages of their book, calculated the cumulative stock market return for their eighteen visionary companies compared with the general stock market - this showed that over the period 1926-1990 the return on

the visionary companies was over 15 times that of the general market. It seems as though Collins & Porras, while generally providing evidence of the countervailing forces, felt the need first to establish the economic legitimacy of these visionary companies before considering the aspects that made them the way they were.

These observations suggest that the objectives of the financial markets are a considerable constraining influence on corporations. And since no one knows when “enough is enough”, the drive for increased profitability remains a key corporate objective. Hence, the inherent tendency to avarice continues to exist, exacerbated by the power of the financial markets. Occasionally this tendency becomes so embedded in a corporation that it acts like a virus, corrupting almost every part of it – Enron³ provides an obvious, if isolated, example. Occasionally the tendency to avarice can be suppressed – perhaps some of the companies cited above provide examples. But within the capitalist forms of business organisation and associated institutions (particularly the financial markets) that have emerged over time, it would seem that the inherent tendency to avarice remains intact.

MacIntyre’s practice-institution distinction as explicator

We have seen that MacIntyre’s own conclusions on the state of the capitalist system are too pessimistic and the evidence does not support his contentions that *pleonexia* has necessarily become a central virtue or that the virtues in general have become almost effaced. Nonetheless, the distinction that MacIntyre draws between practices and institutions does help us to see how the tendency to avarice can become embedded within business organisations and capitalist systems, as well as providing a framework within which the problems associated with this, and their potential solution, can be framed. Although the practice-institution distinction was covered in my previous paper (Moore, 2002) a brief summary here might be helpful.

It is possible, as I argued, to redescribe business using MacIntyre’s practice-institution distinction. Business is a “practice” as defined by MacIntyre: a “coherent and complex form of socially established cooperative human activity”. Business-as-practice, however, is housed inside an “institution” (a corporation) which is the “social bearer” of the practice. MacIntyre is clear that all institutions are focused on external goods such as success and profit in the case of corporations: “[T]hey are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves but also the practices of which they are the bearers. For no practices can survive for any length of time unsustained by institutions” (MacIntyre, 1985, p.194). The practice-institution schema, then, helps us to see clearly the inevitability of corporations having, as an inherent part of what they are, a focus on external goods and hence indicates the likelihood that they will, particularly if constrained by financial markets, have an inherent tendency to avarice. MacIntyre’s practice-institution schema, therefore, acts as a useful explicator of the phenomenon.

The practice-institution schema, however, also points to another issue that will be of particular concern to us below. This is that there is an inherent tension between the practice and the institution: “... the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of the institution ... the cooperative care for common goods of the practice is always vulnerable to the competitiveness of the institution” (see MacIntyre, 1985, p.194). Using

this schema, MacIntyre's contention is that in the capitalist forms of business organisation that have emerged over time the focus on the external goods of the corporation, and the power relationships that dominate over the cooperative relationships that are the essence of a practice, have reached an intolerable level. He argues that, "much modern industrial productive and service work is organised so as to exclude the features distinctive of a practice" and in such a way that this type of economic activity is "at once alien and antagonistic to practices" (MacIntyre, 1994, p.286). Again, MacIntyre is almost certainly too pessimistic, and harsh in his usage of words such as "exclude" and "alien". But MacIntyre is surely right that, within business organisations, the practice is potentially and continually under threat from the acquisitiveness and competitiveness of the corporation, with its inherent tendency to avarice.

Is all of this in any way problematic?

Let us turn from the contention that there is a continuing tendency to avarice inherent in present day corporations, and MacIntyre's practice-institution schema as a helpful explicator of this, to a consideration of whether this is in any way problematic. One possible answer to the question, of course, is to take the pragmatic line that since capitalism has, over the past two centuries or so, led to an unparalleled advance in material prosperity, with all the associated benefits, certain alternative moral arguments are outweighed by the realisation of wealth, in parts of the world at least, that has occurred by following the utilitarian principle. The greatest good for the greatest number, reckoned in monetary terms, is surely sufficient moral warrant, irrespective of any other consequences – or so the argument goes. While a full critique of this position would need to include macro-economic, social and environmental issues, the focus in this paper is on the personal and community effects.

As indicated by the quotations above, in which his bleak view of modern capitalism and its effect upon individuals in relation to the virtues and to the development of character are evident, MacIntyre questions the beneficial effects of capitalism. MacIntyre's first point of contention is to do with the notion of *character*. In an earlier work MacIntyre noted how within corporations, "the executive is required to treat certain goals as given and, within certain very broad constraints, he or she is set to consider how he or she may most economically and efficiently use present resources to reach these goals ... In his [*sic*] capacity of corporate executive, the manager not only has no need to take account of, but *must* not take account of certain types of considerations which he might feel obliged to recognise were he acting as parent, as consumer, or as citizen" (MacIntyre, 1979, p.126). (Elsewhere, MacIntyre cites the example of power company executives unable to consider a reduction in the overall levels of power consumption even though, as parents and concerned citizens in other spheres of activity, they might well regard this as desirable (MacIntyre, 1999a, p.322).) He continues, "[T]hus when the executive shifts from the sphere of the family to that of the corporation he or she necessarily shifts moral perspective" (MacIntyre, 1979, p.127). Hence, MacIntyre wishes "to insist on the importance of seeing contemporary social life as a theatre with a set of adjoining stages upon which a number of very different moral philosophical dramas are being acted out, the actors being required to switch from stage to stage, from character to character, often with astonishing rapidity" (*ibid.* pp.127-128).

MacIntyre's conclusion from this is important. "The outcome", he says, "is the creation of more than one self. The agent has to fabricate distinct characters. From Aristotle and Theophrastus until quite recently, character was taken to be fixed and largely unchanging in an agent; types of character were limited and each agent's character was of a determinate type. But now in the modern

corporate organisation character has become more like a mask or a suit of clothing; an agent may have to possess more than one” (*ibid.* p.125). MacIntyre expands on this in terms of the virtues of integrity and constancy. “To have integrity is to refuse to be ... one kind of person in one social context and quite another in other contexts. It is to have set limits to one’s adaptability to the roles that one may be called upon to play ...[to] exhibit the same moral character in different social contexts” (MacIntyre, 1999a, p.317-318). Constancy extends integrity (which applies to different contexts at a particular time), to add a perspective over time: “constancy requires that those who possess it pursue the same goods through extended periods of time, not allowing the requirements of changing social contexts to distract them from their commitments [to the goods] or to redirect them” (*ibid.* p.318).

One reason, then, why an inherent tendency to avarice in business organisations is potentially problematic is because of its impact on the human character of those who work in them. There is the possibility of forcing a deep division within the character of the individual. Sennett, although not using MacIntyre’s terminology, makes a related point: “The conditions of time in the new capitalism have created a conflict between character and experience, the experience of disjointed time threatening the ability of people to form their characters into sustained narratives” (Sennett, 1998, p.31). Although Sennett does not use the term “narrative” in quite the same way, the close correspondence with MacIntyre’s concept of the narrative quest (which will concern us later) is interesting. For now, however, we note the potential threat to the integrity of human character caused by business organisations set within a capitalist system and note also that, where this occurs, it is a serious impediment to the good life.

There is, however, a second aspect of the impact of capitalism that is problematic. It might be inferred from the discussion so far that virtues have everything to do with the person *qua* individual and nothing to do with life in community. However, it is also axiomatic in Aristotle’s frame of reference (with the city state as the basis of society) that “the virtues find their place not just in the life of the individual, but in the life of the city and that the individual is indeed intelligible only as a *politikon zoon* [a political animal]” (MacIntyre, 1985, p.150). Solomon likewise emphasises this point: “The concept of the virtues provides the conceptual linkage between the individual and his or her society. A virtue is a pervasive trait of character that allows one to ‘fit into’ a particular society and to excel in it ... The virtues [are] on the one hand, essential aspects of the individual. On the other hand they [are] precisely the ‘excellences’ that a certain society require[s]” (Solomon, 1992, p.107).

MacIntyre’s well-quoted types of fishing crew reinforce this point and also illustrate this second problematic aspect of business organisations set within a capitalist system. In one type, “a fishing crew may be organised as a purely technical and economic means to a productive end, whose aim is only or overridingly to satisfy as profitably as possible some market’s demand for fish” (MacIntyre, 1994, pp.284-285). But of course this crew has no good reason to stay together if the returns are not sufficiently high. The crew members of MacIntyre’s alternative fishing business, however, would “have acquired from the rest of the crew an understanding of and devotion to excellence in fishing and to excellence in playing one’s part as a member of such a crew. Excellence of the requisite kind is a matter of skills and qualities of character required both for the fishing and for achievement of the goods of the common life of such a crew” (*ibid.* p.285).

MacIntyre’s point, of course, is that the capitalist system not only leads to the possibility (MacIntyre would say the probability, perhaps even the inevitability) of a threat to integrity for the

individuals who work in the business organisations that the capitalist system gives rise to, but that the whole concept of community, in which the virtues are developed and (partially) for whose good they are exercised, is not nourished - indeed it is disabled. MacIntyre makes this clear when he describes the kinds of community that have embodied the virtues - fishing communities in New England, Welsh mining communities, farming cooperatives in Donegal and so on (MacIntyre, 1999b, p.143). It is instructive to note that, in each of these cases and in the second of the fishing crews described above, the economic activity described is set within and forms an integral part of the community as a whole.

Thus, in MacIntyre's ideal, one would expect to find a strong communitarian conception of business both within business organisations themselves and between business organisations and the wider community in which they operate. MacIntyre is, again, unduly pessimistic in concluding that such communities would "involve a rejection of the economic goals of advanced capitalism" (*ibid.* p.145) and, as before, it is difficult to concur fully with his conclusion. But that business organisations set within a capitalist system, with their inherent tendency to avarice, resemble more closely the first rather than the second of MacIntyre's two fishing crews cannot be denied. Thus we can conclude that, in addition to the threat to the integrity of the character of the individual, there is also a threat to true community. And we recognise the seriousness of this not only in its own right but also when we understand that community is, in turn, necessary for the development of character.

If, then, the moral problem at the heart of business organisations set within a capitalist system is defined in these terms, how might we begin to frame an answer to the problem?

Modern virtue ethics

As indicated, I have previously attempted to apply to business organisations MacIntyre's notions of practice and institution. A further partial summary, with some additional points which considerably extend the previous argument, will help in framing an answer to the question posed above.

It is first, however, necessary to establish what we mean by virtue and to do so by contrasting "virtues" with "values", which is nowadays the more common term.

MacIntyre's initial definition of virtue is as follows:

"Virtues are dispositions not only to act in particular ways but also to feel in particular ways. To act virtuously ... is to act from inclination formed by the cultivation of the virtues." (MacIntyre 1985, p.149)

Thus virtues are enduring character traits (as, of course, are vices). To value something, however, is to give it a special place in our lives, to see it as something that matters⁴. So valuing is something we *do*, while virtues are something we *have* (or not). And it is the virtues that enable us to live up to our values. It takes courage not to tell a lie. It takes temperance to say "No" to a bribe. We must practice being honest if we are to become an honest person, and not just hold the value of honesty as being important to us. Values, we might say, are external standards to which we aspire. Virtues are those cultivated characteristics that enable us to attain our aspirations.

Now while virtues are exercised in the whole of life, this is particularly so in what MacIntyre calls practices. We have, of course, already used this terminology above in relation to business-as-practice, but we now need to explore the notion of a practice more fully. MacIntyre's full definition is as follows:

“Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended.” (MacIntyre, 1985, p.187)

These internal goods derived from practices can be contrasted with external goods such as fame, power, profit or, more generally, success. When achieved, MacIntyre argues, these external goods are always some individual's property and possession. They are characteristically objects of competition in which there must be losers as well as winners. With internal goods, however, although there is competition in one sense, this is competition to excel and so benefits all members of the community engaged in the practice.

MacIntyre indicates that, “the range of practices is wide: arts, sciences, games, politics in the Aristotelian sense, the making and sustaining of family life, all fall under the concept” (MacIntyre, 1985, p.188). It is in these practices that the virtues are developed and exercised. So life is spent, in its ideal, exercising the virtues in a variety of different practices and thereby gaining the internal goods each practice affords.

It can be seen from this that virtues are not simply practice-specific, but span and are applicable to all practices and situations in which an individual is involved. Not only this, but the virtues are also set within the context of the notion of *telos* – the good for man (*sic*): “[t]he virtues are precisely those qualities the possession of which will enable an individual to achieve *eudaimonia*⁵ and the lack of which will frustrate his movement toward that *telos*” (MacIntyre, 1985, p.148). Thus we have a situation in which the virtues enable the individual to achieve the goods internal to practices, and the achievement of those goods *across a variety of practices and over time* (requiring the virtues of integrity and constancy described above) is instrumental in the individual's search for and movement towards their own *telos*.

We thus arrive at a point at which the concept of a *quest* becomes important. For the virtues are not ends in themselves but means to the end of achieving the individual's *telos*. MacIntyre makes the point that without some partly determinate conception of the final *telos* there could not be any beginning to a quest. This initial conception of the *telos* comes from the amalgamation of the internal goods from individual practices to some notion of *the* good. But in addition to this, there is within the concept of the quest the idea that it is a search for something which is not yet “adequately characterised” and that it is through the search that the goal of the quest is finally to be understood. So the *telos* is both partially known and unknown, and in the search (quest) for the unknown, we also refine our understanding of the known (*ibid.*, pp.218-219).

This may sound as though individuals have to have arrived somewhere around early middle age before they can even begin to conceive of these notions! But since all of this emerges over time and in the context of lives lived in community with others, there is a proper sense in which the individual's understanding of his or her *telos* and the search for it begin much earlier. This brings us

to the concept of the unity of a person's life, in which a life can be conceived of and evaluated only as a whole. But to evaluate a person's life as a whole requires the context of the relationships they are involved in and the possible shared future of those relationships - and this in turn requires that we understand the "story" of that person's life.

Men and women are narrative animals - that is, life is lived inside a story of which the individual is the subject, but also in which there are interlocking narratives with others. This is to say that my story began before I was born (and will continue after I die) and that I entered life as part of a continuing narrative. It is only within the context of this continuing and communal narrative that I can make sense of myself and that I can begin to make some sense of my *telos*. Initially this *telos* is derived from the experiences of my early childhood, but gradually it becomes mine as I embark on my own narrative quest. Thus, the narrative quest ("where is my story going?") is both *teleological* and also part of its own answer. In other words, as we have noted, it is not a quest for the already known, but a quest in which the *telos* will become clearer on the way.

This concept of the narrative quest leads MacIntyre to a refinement of his definition of the virtues:

"The virtues therefore are to be understood as those dispositions which will not only sustain practices and enable us to achieve the goods internal to practices, but which will sustain us in the relevant kind of quest for the good, by enabling us to overcome the harms, dangers, temptations and distractions which we encounter, and which will furnish us with increasing self-knowledge and increasing knowledge of the good."
(MacIntyre, 1985, p.219)

There are two final and related points that need to be made before moving on to consider how this description of modern virtue ethics, based on MacIntyre's work, might apply to the moral problem at the heart of capitalism. The first point is that these concepts of virtue, practice, internal goods and, particularly, narrative quest and *telos* do not imply that there is some *one* sort of good life that is naturally good for all human beings and is therefore identical for all human beings at all times. The widely varying experiences of human beings is fully accounted for within this scheme and the different kinds of communities into which individuals might be born and the different kinds of roles that individuals can each undertake provide opportunities (though by no means equally supportive opportunities) for the quest for *the* good. As MacIntyre points out, "the good life for man [*sic*] is the life spent in seeking for the good life for man, and the virtues necessary for the seeking are those which will enable us to understand what more and what else the good life for man is" (MacIntyre, 1985, p.219).

However, the second and related point is that the sense of *telos* and the narrative quest is by no means an individual matter. McCann & Brownsberger summarise MacIntyre well at this point and helpfully link the concepts of practice and community. It is worth quoting them at length:

"... the normative character of MacIntyre's definition of a social practice ... is secured within a larger account of the moral life as a whole. There must be some *telos* to human life, a vision anticipating the moral unity of life, given in the form of a narrative history that has meaning within a particular community's traditions; otherwise the various internal goods generated by the range of social practices will remain disordered and potentially subversive of one another. Without a community's shared sense of *telos*, there will be no way of

signifying ‘the overriding good’ by which various internal goods may be ranked and evaluated.” (McCann & Brownsberger, 1990, pp.227-228)

This, then, affirms the essential intertwining of the individual, and his or her own narrative quest, with the community, and its shared sense of *telos*. As we noted above, it is in community that the virtues are developed and (partially) for whose good they are exercised. Hence, by threatening both the integrity of the individual and the notion of community, business organisations set within a capitalist system, with their inherent tendency to avarice, have the potential to do considerable harm. It is in search of a solution to this that we now turn.

Rediscovering craftsmanship

In my previous paper (Moore, 2002), I believe I provided a convincing argument of how MacIntyre’s practice-institution schema could be used constructively as a way of thinking about business organisations and as a way of construing business ethics. However, this argument now needs extending to answer the question, “What would the redescription of business-as-practice mean for the individuals who work in it?”, and a convenient shorthand for an answer to this question is “craftsmanship”.

Craftsmanship is, of course, a sexist, even if historically correct, term. “Craftspersonship”, unfortunately, does not have quite the same ring about it. The point about using this term at all, however, is that it perhaps encapsulates how the individual might best approach working in business organisations if the notions of virtue, practice, narrative quest and *telos*, as described above, are seen to provide a convincing way of “coming at” moral philosophy in general and a serious way of attempting to overcome the potentially deep-seated problems of business organisations set in a capitalist system in relation to the individual and the community.

The notion of craftsmanship appears in MacIntyre’s writing in relation to “productive crafts” such as farming and fishing, architecture and construction:

“The aim internal to such productive crafts, when they are in good order, is never only to catch fish, or to produce beef or milk, or to build houses. It is to do so in a manner consonant with the excellences of the craft, so that there is not only a good product, but the craftsperson is perfected through and in her or his activity.” (MacIntyre, 1994, p.284)

MacIntyre’s contention, in effect, is that when we so construe and realise productive crafts as a practice, there is no reason for the individual to suffer the kind of threat to character, or for the community to be disabled, in the way that is a possible outcome of the impact of capitalist business organisations.

There have been similar ways of using the term craftsmanship, but specifically in relation to capitalist business organisations. Klein, for example, argues:

“The ideal of craftsmanship is to create that which has quality or excellence; personal satisfaction, pride in accomplishment, and a sense of dignity derived from the consequent self-development are the motivations. In an ‘excellent’ company, it is this ideal that permeates the firm, and management should provide the moral example of such an ideal; a

business management craftsperson attempts to create a quality organisation, and quality products and services are the result of such an organisation.” (Klein, 1998, p.55)

Dobson, drawing on Klein’s work, similarly proposes craftsmanship as, possibly, “the mantra of twenty-first century global capitalism” (Dobson, 2001, p.412). Dobson suggests that, “a reconciliation and some form of symbiotic coexistence” (*ibid.* p.409) between MacIntyre’s two types of fishing crew might be possible if MNCs and NGOs⁶ sought to set aside their differences and concentrate instead on their synergies. I am not convinced by Dobson’s argument that MNCs are currently adopting the values of the NGOs that have been targeting them and that this might lead to such a reconciliation, nor am I convinced that extremely expensive toasters (Dobson, 2001, p.409) provide an archetypal example of the kind of products that might represent the future of twenty-first century global capitalism. My own experience of artisan-craftsmen is that they struggle with providing the kind of mass-produced artefacts that will sell in the market, while holding to the principles of their craft by undertaking occasional commissions for their work which allow them to give full rein to their skills and creative abilities. My point, in relation to craftsmanship as a word that encapsulates how the individual might best approach working in business organisations, is that craftsmen will always hold to the principles of their craft, and while accepting that efficiency and economy are goods (among others), will also always attempt to find, indeed to create or re-create, within their work what it means to be in a practice. Then, “there is not only a good product, but the craftsperson is perfected through and in her or his activity” (MacIntyre, 1994, p.284, quoted above).

This is not to extol crafts to an unwarranted degree. Tawney, in commenting on medieval guilds, acknowledged that “[t]hey were, first and foremost, monopolists, and the cases in which their vested interests came into collision with the consumer were not a few” (Tawney, 1937, p.39). However, his description of the objectives of the guild makes interesting comparison with much that has been said above:

“... the characteristic, after all, of the medieval guild was that, if it sprang from economic needs, it claimed, at least, to subordinate them to social interests ... The attempt to preserve a rough equality ... to check economic egotism by insisting that every brother shall share his good fortune with another and stand by his neighbour in need, to resist the encroachments of a conscienceless money-power, to preserve professional standards of training and craftsmanship, and to repress by a strict corporate discipline the natural appetite of each to snatch special advantages to himself to the injury of all – whether these things outweigh the evils of conservative methods and corporate exclusiveness is a question which each student will answer in accordance with his own predilections.” (*ibid.* pp.40-41)

The craft, then, in its ideal, encapsulated much of what has been argued for above both in relation to the individual and the community. However, we need also to recognise that the conceptualisation of craftwork within contemporary business organisations is not unproblematic. Guilds typically consisted of skilled workers. They were to an extent self-determining and self-managing. So while the terminology is useful, some of the historical “baggage” which might accompany it would need to be discarded. The concept of craftsmanship would need to be as true for the blue-collar worker on the shop-floor (though possibly in this case by association with and pride in the larger whole⁷) as for the skilled worker, the marketing executive and the managing director. The challenges of what it means to be a craftsman and craftsmen in community at different “levels” within organisations will be different. There is also a clear role for professional and trade bodies in this, in (re)conceptualising the profession or trade and contributing to the definition and redefinition of

appropriate standards of excellence and in offering another part of the community (besides the organisation itself) in which and for which the virtues are exercised.

The contention, however, is that individuals would do well to view themselves as craftsmen and their work in business organisations as a practice – one of many in which they engage but no less important than any other practice, and quite possibly more important given the amount of time spent and the amount of energy, physical and emotional, expended there. If they then endeavour to maintain an integrity of character by exercising the virtues, gaining such internal goods as are available, thereby helping them in their narrative quest towards their own *telos*, then not only would the individuals benefit but they would, in the very act of doing all of this, play a necessary part in the humanizing of business from within⁸.

But what would all of this mean for the individual?

The implications of rediscovering craftsmanship

There are four main implications for individuals if they were to rediscover craftsmanship. The first is that individuals would need to concentrate on the *intrinsic* value of work in business organisations rather than its *instrumental* value. In MacIntyre's terminology, this would mean concentrating on the internal goods that lead to the good life, rather than exclusively (or to too great an extent) on the external goods such as salary and status. This is hard, of course, because business organisations will, by virtue of their inherent tendency to avarice, tend to reflect back to individuals a sense of their own avarice and encourage them to exploit their role for its own instrumental ends⁹. Individuals tend to collude with the organisation because they believe it to be in their own interests, instrumentally defined, so to do. But, of course, that is precisely why the virtues are needed, to enable us to "sustain practices and enable us to achieve the goods internal to practices, [and] sustain us in the relevant kind of quest for the good" (MacIntyre, 1985, p.219, quoted above).

The notion of the intrinsic value of work also, and importantly, takes us back to various of the points made above. MacIntyre's definition of a practice and its emphasis on standards of excellence and the systematic extension of human powers to achieve excellence would be a primary consideration. The links with Klein's emphasis on quality and excellence, personal satisfaction, pride in accomplishment and a sense of dignity are also clear. On this understanding, work could not simply be about earning enough to live - as though "living" took place exclusively outside of work – but would demand an understanding of the importance of this aspect of individuals' lives to the formation of their character and the achievement of their own *telos*.

Recalling that, as Solomon for example emphasizes (Solomon, 1992, p.153), the Aristotelian word *arête* is translated both as virtue and excellence helps in the realisation that, in practical terms, this would mean endeavouring to produce the best of which the individual is capable. Thus the marketing manager would design and execute not just *a* marketing plan but *the best* marketing plan of which she was capable. And, bearing in mind the virtue of *phronesis* (practical wisdom), the concept of "best" would involve not just a plan that was conceptually and creatively excellent but one that would "deliver" as far as the organisation was concerned¹⁰.

The second implication is that we must not underestimate the corrupting power of institutions on practices and must therefore take seriously the need to exercise the virtues in order not just to

achieve internal goods but also to sustain the practice. MacIntyre makes a general point about this when he says that the essential feature of the virtues is clear: “without them, without justice, courage and truthfulness, practices could not resist the corrupting power of institutions” (MacIntyre, 1985, p.194). But within business organisations the corrupting power of the institution, focused as it is on external goods, is especially clear. So within those who engage directly in the practice there needs to be the commitment to exercise the virtues not only in pursuit of the internal goods of the practice which benefits the individual directly, but also against the corporation when it becomes, as it inevitably will at various times, too focused on external goods to the detriment of both the practice and the institution. MacIntyre has also already made this clear¹¹:

“For the ability of a practice to retain its integrity will depend on the way in which the virtues can be and are exercised in sustaining the institutional forms which are the social bearers of the practice. The integrity of a practice causally requires the exercise of the virtues by at least some of the individuals who embody it in their activities; and conversely the corruption of institutions is always in part at least an effect of the vices.” (MacIntyre, 1985, p.195)

The second implication leads to the third, since it is clear from this that the sustenance of the practice cannot be carried out in isolation. It requires collaboration among individuals and, thereby, requires that individuals see part of the task of working in business organisations as building community. For, as indicated earlier, the virtues are exercised in, and partly on behalf of, the community. Craftsmanship, in its very nature, requires the pursuit of excellence in the craft, and this can be done only by craftsmen working together in community. What would this substantively involve?

Much of the terminology in today’s business organisations is of self-managed teams and, associated with this, of empowerment. Some aspects of this are clearly part of what it would mean to work together in community, but the concept of craftsmanship is far richer. As indicated above, craftsmen would have a view, somewhat independent of the organisation in which they are employed, of the excellence of the practice, the need for professional standards of training and hence of apprenticeship. In practical terms, for those individuals where membership of a professional body is a possibility, this is likely to involve joining and engaging with that body. Shaw helpfully characterizes the professional body as a mediating institution with “the professional focus on the ‘good’ of the practice, and its fit within the larger social structure” (Shaw, 1995, p.855), and it is precisely this role that craftsmen, acting together, would value and seek to sustain.

In relation to team-building and empowerment, craftsmen, again acting together, would encourage within their organisations the higher-order levels characterized by Bowen and Lawler (1992) as “job involvement” and “high involvement”, where more information and power to make decisions is delegated and employees are able to exercise self-control and self-direction. In relation to management within teams of craftsmen, the emphasis would clearly be on the “9:9” style of management¹² in which concern for people and for production were equally high (Blake & Mouton, 1985).

In relation to concern for people, craftsmen would also, in the manner in which MacIntyre’s second fishing crew was described, seek the “achievement of the goods of the common life of ... [the] crew”, or as Tawney commented on the medieval guilds, “stand by his neighbour”. This would involve, as we noted above, standing together against the corporation when the excellences of the

practice were under threat. But in addition, this would involve the creation of community in which loyalty to each other was a prime concern. Associated with this would be the desire to overcome Sennett's unease at "no long term" (Sennett, 1998, p.22) and "the experience of disjointed time" (*ibid.*, p.31, cited above). While recognizing the benefits of "new blood" to organisations, this is likely to lead to craftsmen staying with organisations for considerable periods – for how else can loyalty, stability, a sense of community and of "interlocking narratives" be established? It is, as Sennett's concluding words affirm, that "a regime which provides human beings no deep reasons to care about one another, cannot long preserve its legitimacy" (*ibid.*, p.148).

Finally, then, we can ask which particular virtues are necessary if this way of thinking about business organisations and of conceiving of business ethics is to become a reality. Clearly, justice, courage and truthfulness are those that MacIntyre thinks are particularly important. But it may be possible to return largely, though not exclusively, to the cardinal virtues for an answer to the question. So, (as well as courage), temperance, justice and prudence (practical wisdom) will all be required (see Porter, 1994, for an excellent description of these). In addition, as Solomon (1992) points out, trust (by which we should infer the virtue of both offering trust to others and being trustworthy oneself) is clearly a basic virtue¹³.

However, although justice does, at least in Porter's interpretation of Aquinas, direct the individual towards the common good, thereby giving some support for the notion of the virtues exercised in and partly on behalf of the community, this may not be sufficient. There is, within the cardinal virtues, a lack of magnanimity that seems to constrain them. And it is perhaps particularly in relation to the building of community that magnanimity seems to be required. While recognizing that MacIntyre develops the virtue of "just generosity" in relation to very different kinds of communities than those to be found within business organisations (MacIntyre, 1999b, pp.119-120), it may be this, or something very like it, which is required of individuals within business organisations and this may, in itself, say something about the kind of community that business organisations might themselves aspire to.

Conclusion

I have suggested here an extension to my argument that, while he is unduly pessimistic in his assessment, MacIntyre's practice-institution schema and other associated parts of his work form a helpful way of conceptualising business and business ethics. If we adopt this way of thinking about business organisations, it necessarily follows that individuals who work in such organisations must reconceptualise their way of thinking about what they are doing when they go to work. I have suggested that individuals must conceive of business organisations as one practice of many, but a particularly important one, in which they, in conjunction with others as craftsmen working in community, can exercise the virtues, thereby gaining those internal goods that are available, so enabling them on their narrative quest towards their *telos*. By such reconception, the potential threat to integrity and the potential disablement of community may be overcome, and the individual no longer faced with changing character, or wearing a mask at work that hides their true identity.

Such reconceptualising requires, as I have indicated, practical action in pursuing the excellence of the craft and in building and maintaining a community of craftsmen. This, in turn, requires the exercise of virtue – and such exercise, in organisations that have, by their very nature, a tendency to avarice, is obviously difficult. However, it is, I suggest, a way from within, that the humanizing of

business may begin to become a reality, a way in which “avarice and usury and precaution” need not be our gods for a little longer still.

Notes

1. The author would like to thank a number of colleagues, two anonymous reviewers and George Brenkert for comments on earlier versions of this paper.
2. In this prescription Keynes was, of course, not necessarily proposing a radical change of direction for business organisations. The history of business in England, as seen through the lens of literature, is entertainingly written up in a volume edited by Professor Arthur Pollock entitled: ‘The representation of business in English literature’ – see references. This explores the privileging of economic over social goals through two centuries.
3. Senator Olympia J. Snow (Republican, Maine) at the hearing of the Senate Commerce Science and Transportation Committee was quoted in the New York Times, 13 February 2002, as saying: “It certainly shows that corporate corruption can have a profound influence in undermining the public’s confidence in the underpinnings of our economic institutions”. Cited in Tonge *et al.* (2003).
4. I am indebted for this comparison of virtues and values to a talk given by Marianne Talbot of Brasenose College, Oxford to a meeting of the RSA Forum for Ethics in the Workplace, May 1998. So far as I know this talk is unpublished.
5. *Eudaimonia* is defined by MacIntyre as something like, “blessedness, happiness, prosperity. It is the state of being well and doing well, of a man’s being well-favoured himself and in relation to the divine” (MacIntyre, 1985, p.148).
6. Multinational Corporations (MNCs) and Non-Governmental Organisations (NGOs).
7. I am reminded of the story of a man out for a walk who came across three others working in a quarry. When asked what they were doing the first replied, “Earning £5 an hour” and the second, “Quarrying stone”. The third, however, replied, “Building a cathedral”.
8. I will return to the question of necessary and sufficient conditions in a subsequent paper. It is worth noting here, however, that this reconceptualisation does not go as far as suggesting that business is a “calling” or vocation as Novak (1996) suggests. There is something unique about a calling (see, for example, Dewar, 1999) that is not encapsulated in both the ubiquity of business nor the similarity of roles in different organisations. This is not to say that particular individuals may not find their particular vocation in a specific business organisation at a certain point in their lives, but the concept of craftsmanship, in the way described here is, I maintain, a better description.
9. During the preparation of this paper there were press articles on both sides of the Atlantic complaining about Executive compensation. In 1980 the average CEO of a large American firm earned 42 times as much as ordinary workers. By 1995 the ratio had increased to 160. In 2000 the figure had reached 458 (reported at <http://www.sojo.net/batstone>, 17 April 2003). Similarly

in the UK, where the Companies Act was amended in 2002 to force all Stock Market listed firms to put pay packets for directors to a vote at the AGM, there has been a recent spate of awkward questions at AGMs. The Independent (24 April 2003) carried a leader column entitled, “End this culture of rewarding failures in the boardroom”. It seems that avarice is alive and well at senior levels.

10. This should also answer the criticism that Keat makes of MacIntyre’s two fishing crews – that if the first “non-practice crew is able to catch more and better fish than the practice crew, and thus contributes more to the well-being of consumers” (Keat, 2000, p.129) it would be hard to defend the view that only the well-being of the producers matters.
11. It should be noted in passing at this point, that some of the responsibility for maintaining the integrity of the practice lies with the corporation itself. That, and the question of whether a reliance upon virtue in the governance of corporations (Keeley, 2000) is sufficient, will be the subject of a subsequent paper (see also Note 8).
12. Blake & Mouton’s (1985) management grid ranked concern for people and concern for production both on scales from 1 to 9. A low score on each (1:1) would represent impoverished management. High concern for production but low concern for people (9:1) would represent authoritarian management – and so on. A high score on each (9:9) would represent team management and is the style that would be expected within teams of craftsmen.
13. Solomon’s list of other basic business virtues (honesty, fairness, toughness and justice) match the cardinal virtues either exactly or as relative virtues. So honesty is a relative virtue to a combination of temperance and justice, toughness Solomon refers to as moral courage, fairness as one conception of justice. In a similar way the virtues of the corporate self (friendliness, honor, loyalty and shame) and the virtues of caring and compassion that Solomon identifies can be considered as relative virtues to the embracing virtue of “just generosity”. Novak’s (1996) three cardinal virtues also fit with this list in respect of what he terms building community and practical realism. His third virtue is creativity, but this might be better regarded as a skill than a virtue. An important distinction that is not sufficiently clear in either Solomon’s or Novak’s work is whether the virtues of the individual working in business are the same as those of the corporate virtues. This is also an issue that I will return to in a subsequent paper (see Note 8).

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